Parks Comprehensive Plan Task Force

Meeting Summary May 16, 2007

Topic: Revenue Sources and Allocation

Task Force members present: R.D. Brown, Chuck Evens, Steve Gordon, Maggie Lindorfer, John O'Connell, Brian Pelc, Pete Regnier, Kathy Schubert, Carrie Wasley, Jenny Winkelman

Members absent: Erick Goodlow, Victor Vang

Staff: Bob Bierscheid, Jess Rosenfeld, Ruth Schumi, Jason Wirka

Panelists: Matt Smith, Jon Gurban, Sue Ellingwood

Jason Wirka gave an overview of Saint Paul Parks and Recreation's budget. The PowerPoint was sent out to the Task Force and will be available on the Parks Comp. Plan Web site.

Bob Bierscheid discussed the newly adopted parkland dedication ordinance. The ordinance requires that developers dedicate a portion of their land to parks or pay a fee in lieu of land for new developments that result in a net increase in parking spaces and/or a new plat. Fees collected can be used for existing parks or future parks, but there must be a direct relationship between where the development is located and where the money is spent: the money must be spent within the same Planning District as the development or within .5 mile of the development. The ordinance covers capital costs only (not maintenance) in order to ensure sufficient park and open space, but it's important not to develop more new parkland than can be maintained. The fees collected through the ordinance could generate up to \$1 million/year, but Parks won't budget based on the expected revenue; the money will be used as it becomes available.

Jon Gurban, Superintendent of Minneapolis Park and Recreation Board

The Park Board is running at a deficit right now; there is not enough tax base to pay for the costs of the system, and there is reluctance to raise taxes further. The Park Board has its own taxing authority, but the Minneapolis' Board of Estimates and Taxation must approve taxes levied by the Park Board, and has rejected tax requests. With Local Government Aid (LGA) funding from the State down, Minneapolis is struggling with how to deliver services. The Board recently did a study on how much money it would cost to improve infrastructure and keep the park system vital, and they arrived at a cost of \$70 million per year – which is \$12 million more than their annual budget of \$58 million. In examining existing resources, Minneapolis found the following:

- tax base is fairly stable, but can't be relied on to grow significantly
- fees generate revenue, but accessibility must be preserved

- improving concessions through partnerships/leases with venders (like Tin Fish on Lake Calhoun) has increased revenue (by \$80,000) and improved service to citizens
- grants have fluctuated from year to year because there was no coordinated effort to secure funding, so a new grant writer/coordinator position has been created
- the creation of administrative tickets has generated \$800,000 in parking ticket revenue
- this year's ticketing will focus on the trail systems, where trail users will be ticketed for using incorrect paths
- Minneapolis is currently working on a parkland dedication ordinance
- endowments are a good way for people who care about particular causes (urban forests, youth programming, etc.) to contribute to a specific program, facility, etc.
- Minneapolis has prioritized taking care of existing assets before adding to the system, and has decided to remove underutilized/under-maintained facilities like tennis courts and horseshoe pits from the system
- 10% of Minneapolis' Park budget goes to paying the Park Police

Funding choices are made in a political environment, where political whims can distort budgets and spending. Professional staff should be allowed to exercise their best judgment in finding a balance, and should be used to their fullest potential and given the flexibility to come up with ways to make the system better without spending a lot of money. Minneapolis established an innovation fund to try out ideas that would reduce long-term operating expenses or generate revenue, but it only lasted six months before politics killed it.

Public servants love process, but we need to love outcomes more. Process is expensive and time consuming. In the two years it took to get through a process to approve new light posts on the West River Road, the cost per light post went up 50 percent.

Sue Ellingwood, Saint Paul Libraries

The Saint Paul Public Library was a City department for many years before becoming a separate agency with separate accounting and bonding authority. As a separate agency, the Library still takes direction from the Mayor and effectively functions as a City department, but is governed by the Library Board (which is the City Council). Libraries are funded primarily through property taxes and LGA funds. They have issued bonds once, to pay for the construction of the Rondo and Dayton's Bluff libraries.

Even as a separate agency Libraries still have to compete with police and fire services for limited funding. Because the Library Board is Saint Paul's City Council, there is good visibility for library issues through the televised monthly meetings and good reason for Libraries staff to stay in close contact with City Council members.

A lot of the core services of Libraries are paid for through fees and fines, not the City's general fund. The expanding cost of technology is a big challenge; while hardware is getting cheaper, more equipment is needed. There is no ongoing funding for routine business, so maintenance requests have to compete in the City's capital improvement

budget (CIB) process against much bigger projects; it seems like it's easier to get a new building than it is to get a new chair.

Matt Smith, City of Saint Paul Finance Director

Matt gave a PowerPoint presentation on the City's budget. An expanded version of the presentation has been sent out to the Task Force and will be available on the Parks Comp. Plan Web site.

Would another funding model work for Saint Paul Parks?

Jon Gurban: The days of operating parks based on tax base are over. In spite of clear support for parks and open space, people don't want to contribute to parks by paying higher taxes, so we need to find other ways for them to contribute. We need to think creatively, and find a balance between taking a more business-oriented approach and maintaining a commitment to serving the public. Foundations are worth exploring. (Note: Como has its own foundation.)

Sue Ellingwood: Having the City Council sit as the Library Board has been good for visibility, but the City Council is reluctant to take on new roles.

Matt Smith: Adding layers of complexity to the budget process does not add value for the taxpayer.

Bob Bierscheid: The library model wouldn't help Saint Paul Parks. The benefit of Minneapolis' model is the organization's focus and ability to prioritize things like the Park Police. The tradeoff would be that Parks would lose flexibility and the ability to borrow from and share with other parts of the City. Parks is better off staying with its current structure.

FUTURE MEETINGS: June 20^{th} , 4-7 p.m., at the Dayton's Bluff Recreation Center July 18^{th} , 4-7 p.m., at the Wellstone Center